

Tooele County: Municipal Services Fund/Tax Analysis



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Public Safety

- Attorney
- Sheriff
- Animal Control/Animal Shelter Contract
- Fire Suppression Fund
- Dispatch
- Residential Road Maintenance (Including Snow Plow)
- Weed Department
- Street Lights

Departments Considered in the MSF Analysis

Community Development

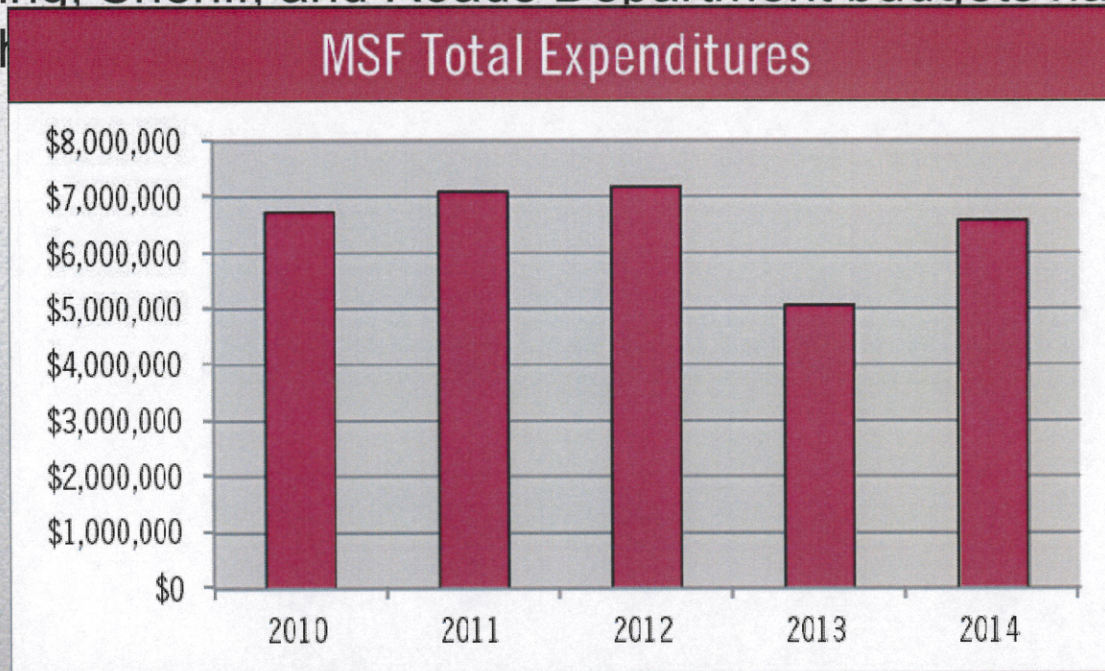
- Engineering
- Building
Inspection
- Planning and
Zoning
- GIS
- Surveyor
- Economic
Development

Administrative Support Services

- Commission
- Auditor
- Clerk
- Treasurer
- Human Resources
- Information
Technology
- Recorder

**Departments Considered in the MSF
Analysis (Cont.)**

Tooele County currently has an MSF fund, but funding sources came from Sales Tax, PILT and Gas Tax Funds (for Roads). The Engineering, Sheriff, and Roads Department budgets have been included in



Current Budget = \$6,324,673

Historic PILT Allocations: 2011 – 43%, 2012 – 39%, 2013 – 22%, 2014 – 0% (Average: 26%)

Tooele County: Current Status

Breakdown of Current MSF Budget - Revenue

Current Revenue Sources - MSF Budget	
Budget Gas Tax	2,435,137
Sales Tax	1,930,000
Building Permits	385,250
Animal License	1,000
Contributions & Transfers	28,286
Charges for Service	
"B" Road Fund - Signs and Stripes	10,000
"B" Road Fund - Excavation	30,000
Animal Control Fees	3,500
Collection Fees	1,500
MSF	1,500,000
Total	6,324,673

Tooele County: Current Status

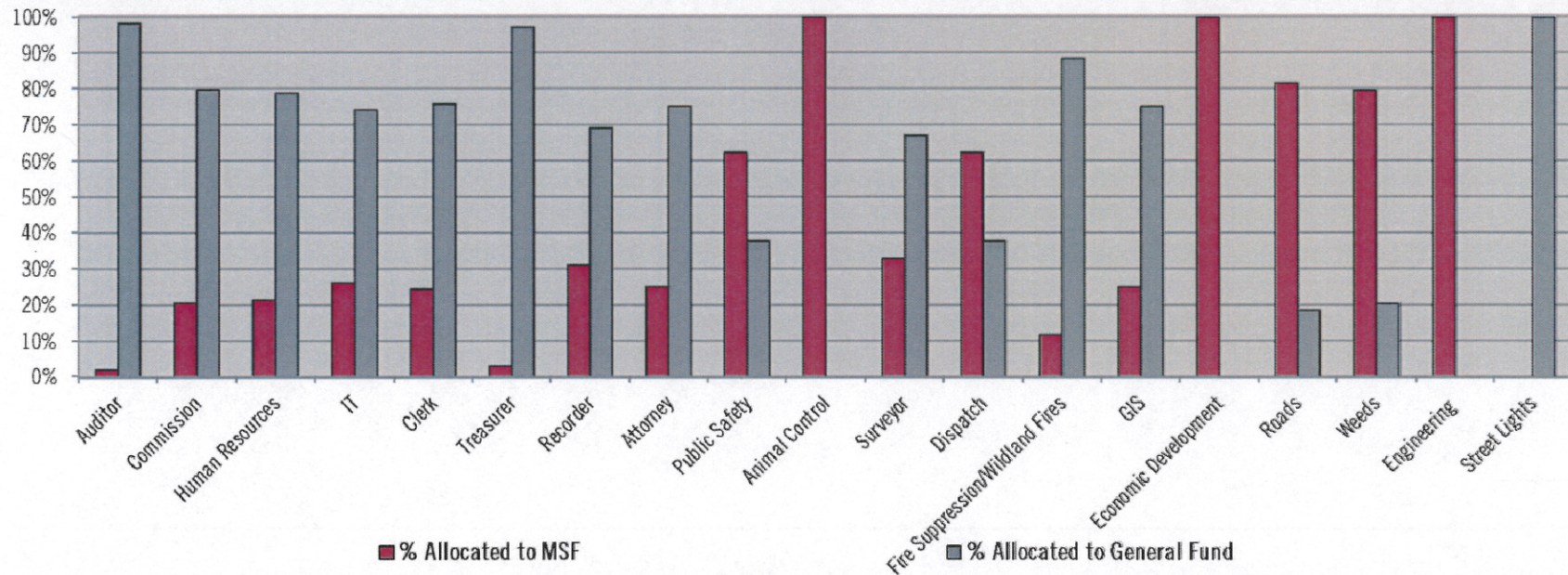
- Interviews with Department Heads
- GIS (Geographic Information Systems) Analysis
 - Roads = 369 Miles less Collectors and Recreation Roads = % to MSF
 - Sheriff Calls, less traffic and calls to public/recreation areas
- Quantitative Analysis – where possible

Methodologies

- Revenue Allocations:
 - Where appropriate and directly tied to a Municipal Service the revenues collected by particular departments were included in the analysis or existing budget for the MSF
 - Example: Building Permits to the Engineer/Planning and Zoning Budget, Business License Fees Revenues Included in the Clerk Budget and Allocation, etc.

Methodologies (Cont.)

Percent to MSF vs. General Fund



Allocations to MSF – by Department

Breakdown of Current MSF Budget – Revenue

- Current Budget includes 100% of Gas Tax and B Road Funds to fund 100% of the roads.
- However, the expense is allocated at 82%, therefore this budget needs to reflect the expenses.
- \$455,855 should be included in the General Fund to cover the roads not included in the MSF expenses.

MSF Budget Amendment

Department	Current Budget	Expenses Removed - General Fund	Revenues Added	Remaining Budget	% Allocated to MSF	\$ to MSF
Auditor	259,554.08			259,554.08	2%	5,191.08
Commission	284,261.74			284,261.74	21%	58,353.26
Human Resources	742,759.02	409,047.81		333,711.21	21%	71,398.34
IT	964,076.00			964,076.00	26%	251,515.78
Clerk	390,750.00		40,000.00	350,750.00	24%	85,346.36
Treasurer	287,793.53			287,793.53	3%	8,633.81
Recorder	440,385.71			440,385.71	31%	136,519.57
Attorney	776,864.38			776,864.38	25%	194,216.09
Public Safety	2,838,729.00			2,838,729.00	62%	1,768,528.17
Animal Control	87,369.90			87,369.90	100%	87,369.90
Surveyor	119,450.65		2,310.00	117,140.65	33%	38,656.41
Dispatch	870,019.64		420,000.00	450,019.64	62%	280,362.24
Fire Suppression/Wildland Fires	701,179.00			701,179.00	12%	81,817.00
GS	83,458.83		500.00	82,958.83	25%	20,739.71
Economic Development	118,000.00			118,000.00	100%	118,000.00
Roads*	2,725,136.96			2,725,136.96	82%	2,223,239.11
Weeds	164,146.50			164,146.50	80%	130,632.15
Engineering - Planning & Zoning and Building Inspection	393,727.56			393,727.56	100%	393,727.56
Street Lights**	7,200.00			7,200.00	0%	-
Total	12,254,862.50		462,810.00	11,383,004.69		5,954,246.53

* Includes Capital Project (\$250,000 for Lakeview)

** Annual Average of 600.05 per month

Budgeted Expenses - MSF						6,324,673.43
Less Revenue to be Allocated to GF (Roads at 18%)						(455,854.49)
New Budget Expenses - MSF						5,868,818.94
Difference						(85,427.60)

Findings vs. \$1.5M Adopted Tax Levy

Dispatch – budget minus contracts from Cities, Districts, etc.

- After the revenue already allocated in the MSF for roads is appropriately reduced, the cost to the MSF is 1,585,427.60 over the budget (less \$456k).
- Therefore the \$1.5M is necessary

Findings vs. \$1.5M Adopted Tax Levy (Cont.)

- For 2015 PILT may be allocated based on the existing budget:
 - \$4.5M is Generated from the General County Tax Levy
 - \$1.5M is Expected from the MSF
 - Total \$6M in Tax Revenue
 - $\text{MSF} = 25\%$ of Tax Revenue, $\text{GF} = 75\%$
 - It is recommended that PILT be allocated in the same proportion

PILT Funding

Moving forward:

- The County needs to increase staffing in the next five years and some positions are taking higher priority.
- Can no longer function on a skeleton crew, keep up with growth.
- The Roads Department needs to play “catch up” and then “keep up” on road maintenance. The minimum is to maintain roads at an 8 remaining life.
- More funds must be allocated to road capital improvements. Maintenance is approximately 1/10 of the cost of replacement.

Projections Through 2019: Changes and Assumptions

- Assumptions for Projections:
 - Inflation Rate for all costs – 1.36% based on five year COLA (Cost of Living Adjustments) average
 - The exception is for capital components, a 3% inflation rate has been used based on historical construction inflation rates (Bureau of Labor Statistics)
- If the County does not keep up with inflation, there is potential for budget shortfalls
 - Advanced planning is necessary
- County Roads Capital Budget Increase – Maintenance
 - Current budget = \$765k
 - Increase to \$1.35M in 2015 increasing to \$1.5M in 2017 (inflationary thereafter)

Projections Through 2019: Changes and Assumptions

- Roads Capital Improvement Plan
 - \$1.35M in 2015
 - \$1.5M in 2016
 - \$1.5M in 2017
 - Inflationary After 2017

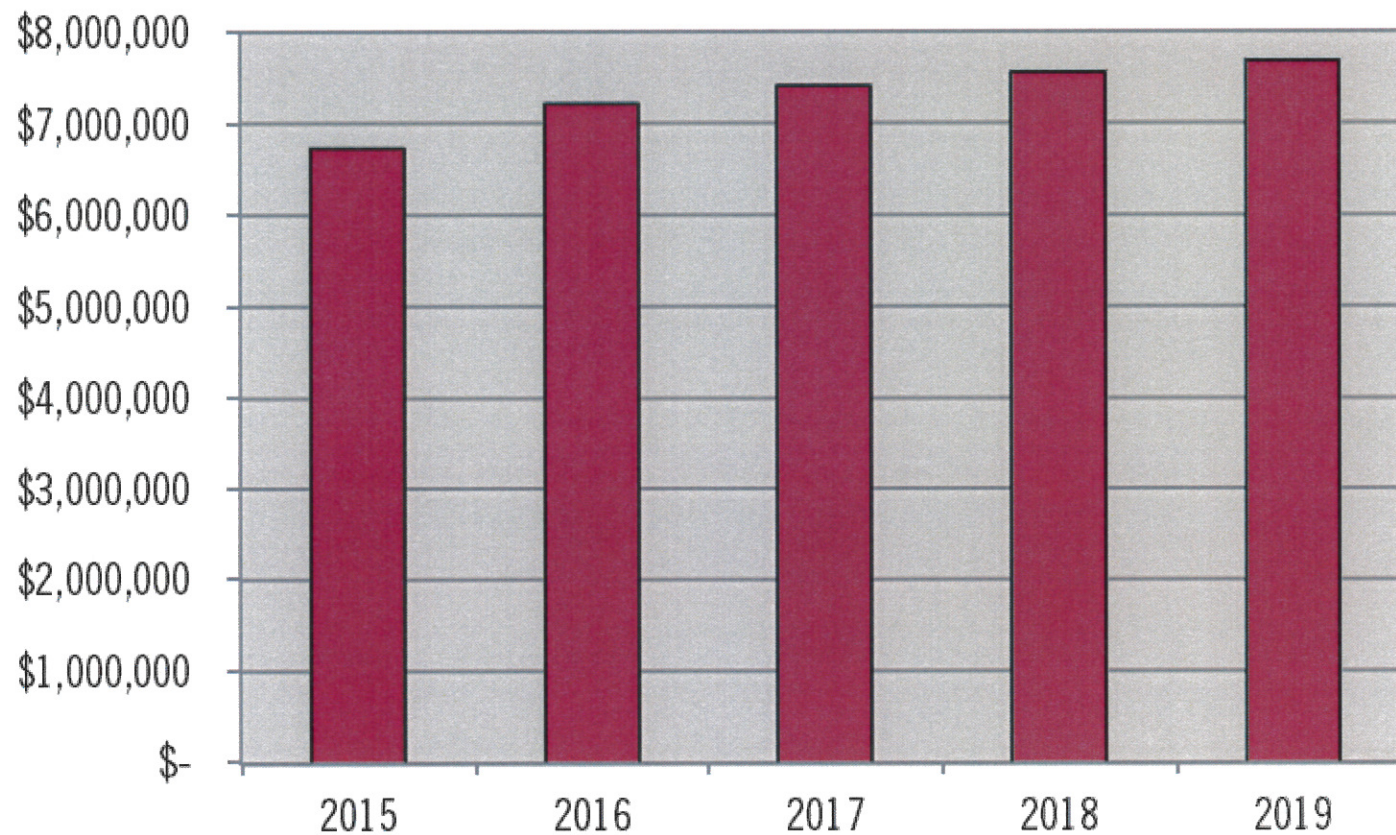
Projections Through 2019: Changes and Assumptions

• Staffing Increases

- Commission: add 1 Secretary, anticipated year - 2015
- IT: has added one staff to the current budget. It is anticipated to add 1 in 2015
- Surveyor: the budget has been eliminated with the exception of approximately \$70,000 for a contract surveyor employee
- Recorder: add 1 Inspector, 1 Engineer, anticipated year(s) – Engineer in 2017, Inspector in 2016
- Attorney: add 1 Attorney, 1 Secretary, anticipated year – 2015 for the Secretary and 2016 add an Attorney
- Sheriff: add 5, year – 2016
- Dispatch: add 3, year – one per year in 2016, 2017, 2018
- Roads: 1 in 2016

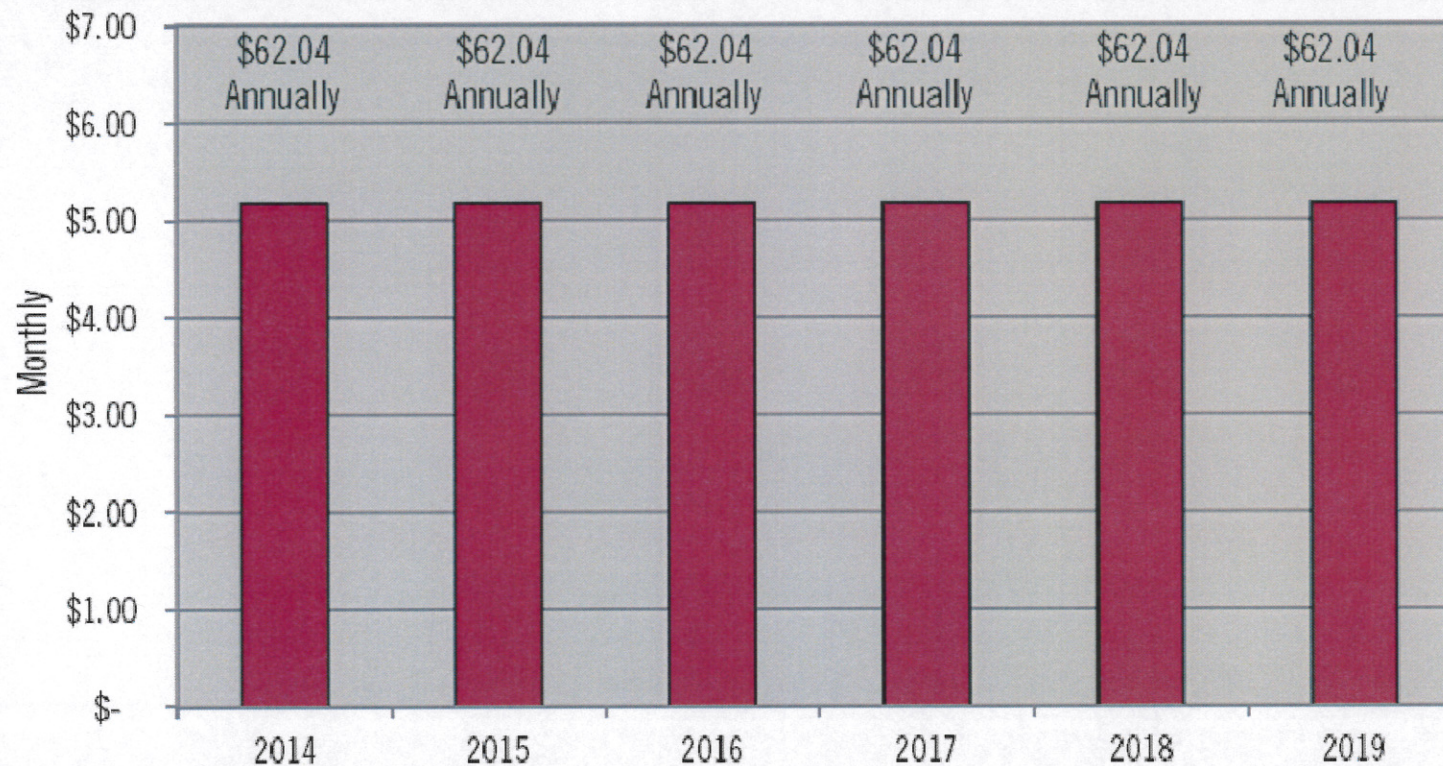
Projections Through 2019: Changes and Assumptions (Cont.)

MSF Revenue Requirement



Projections Through 2019

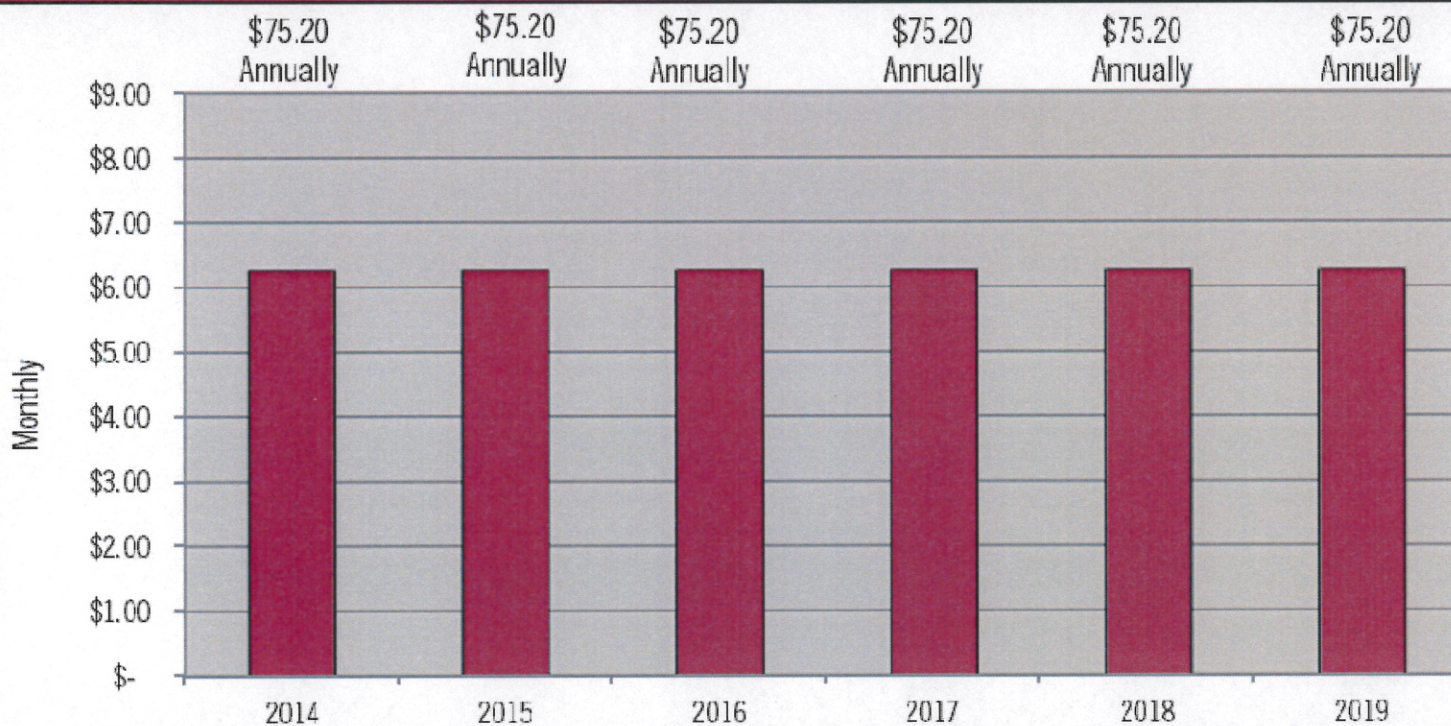
Dollar Increase on Average \$150k Home (Monthly) - PILT



Tax Increase Scenario on a Home- PILT

Approximately 10% Increase in 2015, Gradually Reduces PILT infusion to 4% in 2019

Increase on \$100,000 Taxable Value -PILT



- Increase may be reduced by growth in sales tax, or increase in property values.

Tax Increase Scenario \$100k Taxable Valuation -PILT

Approximately 10% Increase in 2015, Gradually Reduces PILT infusion to 4% in 2019

- Expand Grant Funding, where possible, available
- The County has the opportunity to adopt and assess an Impact Fee for the parks, recreation and trails, roads, public safety and potentially future storm drain utilities.
 - The State Code requires an Impact Fee Facilities Plan and Impact Fee Analysis, Commission would adopt the impact fees and assess the fee 90 days later
 - Imposed on NEW development only.

Additional Funding Sources for the MSF

- Fees – Increases to fees to match true costs of service for Business Licenses, Recorder, etc.
- Future storm water utility fee – if the utility were to require more funding and capital

Additional Funding Sources for the MSF (Cont.)

This detailed analysis will provide the County a budgeting tool in order to prevent unforeseen shortfalls that could result in a reduction of services

- Plan ahead and consider inflation
- Reduce dependence on funds not guaranteed
- The MSF is a fair and equitable means of paying for services received

Summary

Projections should be reviewed internally annually, during the budgeting process and more intensively every three to five years, or as circumstances warrant

- The County needs to keep up with inflation
- PILT should be allocated based on the calculation identified (25% to MSF)

Summary (Cont.)